after excluding windfalls. Now, if you will look at the estimated income and expenditure during the last three years, you will find that they approximated very closely to one another. But in the matter of the revenue actually realised, what each year was taken to be a seventh wave, can now be reasonably looked upon as an established higher level. Therefore, for the current year, after applying the mechanical aid mentioned, we have budgetted for a revenue of nearly Rs. 240 lakhs. Turning to the other side of the picture, we have neither curtailed our expenditure nor left it standing still. The increase of expenditure in 1103 over that of 1101 was Rs. 20 lakhs; and if we take this year's estimates into account the expenditure out of revenue has risen by Rs. 36 lakhs in four years. But the position can hardly be judged in terms of revenue alone. There is considerable capital expenditure in addition on projects either approaching completion in the current year or on which considerable progress has been made. For instance, there is in the 1104 budget, provision for Rs. 15·38 lakhs for railways, Rs. 10 lakhs for water works, Rs. 3·44 lakhs for electric supply, Rs. 6 lakhs for bridging the Neendakara bar —a total of Rs. 34·82 lakhs. The true position will be understood by a comparison of the opening and closing balances of the Government account at the end of the year. In the year 1103 the Government account opened with a balance of Rs. 136·5 lakhs and closed with a balance of Rs. 163·6 lakhs. The year 1104 opened with a balance of Rs. 163·6 lakhs and it is expected to close with a balance of Rs. 130 lakhs. All this capital expenditure in reality comes out of the accumulated surpluses. There is another aspect of the question too. We cannot be expected to spend money upon schemes which are not yet ready for execution : but we can put by for them.

The General Financial Position.

4. I am sure you will wish to know the general financial position of the State. Under the present system of taxation we may count upon a stable annual income of Rs. 245 lakhs from all sources and out of this we may safely spend Rs. 240 lakhs a year. That is my forecast for the next three years. Apart from the year's revenue and expenditure transactions, the State's general assets which stood at Rs. 221·8 lakhs at the beginning of 1103 rose to Rs 258·4 lakhs at the close of the year 1103. We expect it to be about Rs. 225 lakhs at the close of 1104.

Lands for Landless Classes.

5. Efforts to provide land for the landless classes were continued during the year under review. A total area of 16,026 acres of Government land have been set apart for them. Persons of these classes were settled on 2,079 acres from this earmarked area during the year and a further extent of 1,980 acres outside the ear-marked area was registered in their names. Of these 4,059 acres, 2,568 acres or 63 per cent were registered in the names of Pulayas who are the actual tillers of the soil. There are difficulties in

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